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WAGE REGULATIONS AND WAGE DIFFERENCES

- COMMUNIST CHINA -

By LIU Tzu-chiu

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## WAGE REGULATIONS AND WAGE DIFFERENCES

This is a full translation of an article written by Liu Tzu-chiu appearing in Lao-tung, No. 2, Peiping, 18 January 1960, pages 1-4.

All those comrades who have touched on the work concerning wages have a common feeling: the wage work is particularly complex. Wages are usually related to one another; one change in wages will affect the entire wage system. But, if we summarize such a complex situation in wage work, it may be represented by one phrase: wage relationships -- wage differences. The human relationships revealed in wages have become relationships between exploiters and the exploited under the capitalist system (the capitalists utilize the form of wages to pursue the relentless exploitation of the working class). The contradiction emerging from such exploitation relationships is an antagonistic one. It can only be thoroughly solved by eliminating the capitalist system itself. On the other hand, a cooperative relationship has emerged under the socialist system. Although a contradiction also exists there it is an internal one among the people and not an antagonistic one. On the basis of expanding production and advancing labor productivity, such a contradiction may be solved adequately through gradual improvement of the life of workers and the practice of discussions, consultations and persuasive education. The basic content of wage work is to correctly regulate and adjust wage differences among workers.

What are the relationships or differences in wages?

First, we should regulate correctly and adjust the relationships or differences in labor income between workers and peasants. The existing relationships or differences in labor income between workers and peasants in China is a product of production conditions and historic development. This is objective reality. We should start

from such reality, recognize it and change it on the basis of expanding production and gradual improvement of the standards of living. Whether the regulations on such differences are correct or not has a political effect on the alliance of workers and peasants and an economic effect on the adequate distribution of the labor force in industry and agriculture. In other words, if such differences are not correctly regulated, politically it will give rise to grievances of workers against peasants or peasants against workers, thereby affecting the solidarity of the alliance between them. Economically, through the price effects it will either bring about the blind flow of a large number of peasants to cities, thus affecting agricultural production, or make peasants reluctant to work in cities, resulting in being unable to meet the needs of labor force in the expansion of industrial production.

In the meantime, because of differences in natural conditions the labor income of peasants are different. For instance, the income of peasants in southern regions is different from that in northern regions, the income of peasants from economic crop regions is different from that in grain cultivation regions, and the income of peasants in mountainous regions is different from that in plain regions. Besides, such differences are not stationary. They change every day following the development of production. This aggravates the complexity in regulating and adjusting wage differences between workers and peasants. In order to solve adequately such relationships or differences, the Central Committee of the Chinese Communist Party and Chairman Mao have provided us with a correct policy, i.e., to make an overall, adequate arrangement for all the 600 million people. Based on this policy, in 1958 the State Council in its Provisionary Regulations on Wages of Ordinary and Miscellaneous Workers in Enterprises or State Organizations stipulated: "Hereafter the wages of newly recruited regular or temporary, ordinary workers in the building industry should not too far exceed the income of local peasants, but they should cover the differences in living standards between residents of cities and villages. Therefore, their wages should be regulated under the principle that they are equivalent to the income of peasants with high labor productivity in the medium agricultural cooperatives of those localities where such ordinary workers are recruited, plus plus the difference in the cost of living in cities and

in villages. The wages of newly recruited temporary ordinary workers in other enterprises, undertakings and State organs should be equivalent to or slightly lower than those in the local building industry." "The wages of miscellaneous workers should not exceed those of the 28th grade as prescribed in the Table (1) of Wage Standards for Workers in Stage Organs." The practice of such regulations in the last two years has proved their correctness. They have ensured the satisfaction of needs of enterprises and undertakings in recruiting ordinary workers, and have prevented or mitigated the phenomenon of the blind flow of peasants to cities due to higher wages there.

Secondly, we should correctly solve the relationship between the expansion of production and the improvement of the life of workers, or the relationship between accumulation and consumption. We should gradually improve the life of workers on the basis of expanding production and rising labor productivity, and at the same time, adequately increase the proportion of accumulation and ensure the production of industry, especially the rapid development of production of producer goods, to rapidly change the backward situation of "poverty and blankness" left over in our historical development. The Central Committee of the Party and Chairman Mao has pointed out a correct principle: We should increase wages and benefits gradually on the basis of expanding production and rising labor productivity but they should not increase them too much. It means that stress should be placed on the long-range interests (based on a decision by the Central Committee of the Chinese Communist Party on the work of the Ministry of Construction of the Central Government dated 7 September 1953). The practice in the last few years has proved that such principle is entirely correct.

Thirdly, we should correctly solve the wage relationships between simple labor and complex labor, and between light labor and heavy labor, and regulate and adjust their wage differences adequately according to the socialist principle of "work according to ability and distribution according to work." To use jargon in the wage work, such relationships are called wage relationships among industries, such as the wage relationships between workers in heavy industries like coal or steel industries and workers in light industries like tex-

tiles and printing industries. There also exist wage relationships among different categories of workers such as the relationships between skilled labor and unskilled labor, between workers in high temperature shops and those in ordinary temperature shops, between workers pursuing underground work and those working above the ground, between leaders and those who are led by the others, and between brain labor and manual labor. In regulating the wage relationships among industries and among different categories of workers as mentioned above, we should follow thoroughly the principle of "distribution according to work." The Central Committee of the Party and Chairman Mao, based on the concrete conditions of our country and the principle of "distribution according to work," has pointed out a correct principle, i.e., we should oppose the doctrine of equal distribution as well as too great differences. The practice in the last few years has proved that such principle is entirely correct.

Fourthly, we should regulate and adjust the wage relationships or wage differences correctly among workers in different regions as a result of historical development and natural conditions. Such relationships become complex due to the wide area of our country, varied natural conditions and imbalance in economic development in various regions. Regarding the current regional wage relationships, apart from the fact that the State has provided a special temporary allowance for workers in those backward, sparsely populated, remote regions such as Tibet, Sinkiang, and the Tsaidam Basin in Chinghai Province, adequate differences in wages have also been prescribed for workers in ordinary regions. Speaking of the regional wage relationships among workers in State organs, the nation has been divided into 11 wage regions with the first wage region as the base and every higher wage region being granted an average increase of 3 percent in wages. The difference between the highest wage and the lowest wage is 30 percent. Of course, such a regional wage difference is not stationary and will be gradually narrowed following the gradual approach toward a balance in economic conditions in various regions (such as the development of industrial and agricultural production and the building and improvement of railroads and highways in various regions).

Some will ask: How can the above-mentioned different wage relationships be regarded as having been

correctly regulated and adjusted? What are the standards for correct regulation and adjustment? Although the wage should not be calculated by using ordinary measurements but should be measured from the political and economic standpoints. The latter means that whether the wage relationships among workers are correctly regulated or not will depend on whether they are conducive to production, whether they are able to stimulate labor enthusiasm and creativeness of workers, whether they can stimulate the workers to be willing to go to the most needed regions, and industries and enterprises to meet their requirements in labor force, and whether they facilitate the strengthening of solidarity and cooperation among various elements, viz. between workers and peasants, among workers in different industries, among workers in different regions and among workers in different sectors. To be sure, in order to achieve the above-mentioned objectives the most important matter is to rely on the political commandship and the strengthening of political indoctrination. But, if we correctly regulate the wage differences, it will provide a favorable condition for the strengthening and development of political indoctrination.

Some will further ask: what is the trend of development in the wage relationships and differences in China? Have the wage differences between workers and peasants and among workers in different industries, regions and sectors gradually narrowed or widened? This is a question related to the effect of a policy. Looking at the trend of development as a whole, I think that such wage differences have been gradually narrowed. Since our ultimate objective is to realize the principle of "work according to ability and distribution according to needs," by then there will be no substantial differences between industrial labor and agricultural labor and between brain labor and manual labor, and the differences in labor renumeration will be eliminated accordingly. The objective facts have indicated such a trend. The ratio of the consumption level of peasants to that of workers increased from 1:2.22 in 1953 (the first year under the First Five Year Plan) to 1: 1.99 in 1958 (the first year under the Second Five Year Plan), while the ratio of the highest wage to the lowest wage for workers in State organs declined from 28:1 in 1956 to 20:1.

Finally, by what means can we regulate and adjust the above-mentioned wage relationships or differences among

the people?

First, we should practice the political commandship to combine material stimulation with political work; the latter assumes the position of a command or soul. The work concerning wages is the same as in other undertakings. Once we neglect the work of political indoctrination, the wage work will be led to the wrong road. This is because the correctness or adequateness of wage relationships among the people is always a relative and conditional one and not an absolute and unconditional one. Therefore we should stress political command on the work concerning wages, thereby enabling people to look after the entire nation's interests and long-term interests, to develop the Communist attitude of work without caring for remuneration and conditions, and to avoid bickering in individual current interests. By doing so the concrete problems in wages may be easily solved. We have already acquired an abundance of experience in this respect. Comparing the wage situation in 1958 with that in 1956, we shall get a clear picture. In 1956, there was a great increase in the wage of workers. But, because of insufficiency in the work of political indoctrination the masses still felt unsatisfactory. In 1958, the wage increases were not as great as those in 1956, but, because of the penetration of the work of political indoctrination, the working masses uttered few comments and revealed great enthusiasm toward work. This is a valuable experience meriting remembering by us in the future work concerning wages.

Next, we should enforce the Party's mass line in undertaking the wage work to combine the promotion of specialized operations with the mobilization of the masses for discussions; stress should be placed on the mobilization of the masses. We all know that the wage problem is related to the interests of every individual. Which kind of work requires a higher degree of skill and which requires a lower degree of skill, which kind of work is heavy and which is light, whose work record is good and whose record is bad, and the like are all revealed in objective facts. Who know these facts most correctly and clearly? They are not strangers but the workers themselves who have participated in production. Therefore, whose wages should be higher and whose should be lower in accordance with the principle of "distribution according to work" is only known clearly by the working masses.

It says: "Justice exists in the mind of the public." This exactly explains the reasoning mentioned above. To be sure, the public here refers to those people who have participated in production and not those who have not done productive work. The responsibility of business cadres in this respect is to take a correct standpoint and use the viewpoints and methods of dialectic materialism to analyse concretely the opinions of the masses so as to achieve a correct and practical conclusion.

END